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FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/06

SPONSOR Larranaga LAST UPDATED _____ HB HJR 7

SHORT TITLE Prohibit Certain Eminent Domain Takings SJR _____

ANALYST Quezada/Baca

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HJR 1, Relates to HB27 and SB231, Identical bill

SOURCES OF INFORMATION

LFC Files
Secretary of State's Office (SOS)

SUMMARY

Synopsis of Bill

House Joint Resolution 7 proposes to amend Article 2, Section 20 of the New Mexico State Constitution stipulates that private property may be taken only for public use, for the good of the public and only upon just payment of compensation. The joint resolution further stipulates that the right of eminent domain shall not be used to seize private property for use by private commercial enterprise, economic development or for any private use, except with consent of the owner. Private property shall not be taken from owner and transferred to another on the grounds that the public will benefit from a more profitable private use. The constitutional amendment is proposed for submission to the voters of New Mexico at the 2006 General Election.

FISCAL IMPLICATIONS

There is no fiscal impact if the amendment is included in the general election. However, there would be an estimated cost of \$ 1.8 million if the constitutional amendment were proposed for a special election, according to the Secretary of State's staff.

SIGNIFICANT ISSUES

In *Kelo v New London, Connecticut* the U.S. Supreme Court held that local governments have the authority to use eminent domain to take private property for economic development. Existing New Mexico statutes allow the use eminent domain. The proposed amendment would prohibit the taking of private property for private use in economic development.

RELATES TO

HJR 7 duplicates SJR 1, and relates to HB 27 and SB 231, identical bills both titled Eminent Domain for Economic Development. The bills stipulate that:

"The state or a local public body shall not condemn private property if the taking is to promote private or commercial development and title to the property is transferred to another private entity."

JQ/mt